

Chapter IV

ECONOMIC DEVELOPMENT & REVITALIZATION

4.1 INTRODUCTION

4.1A Purpose of the Element

The purpose of creating an Economic Development and Revitalization Element for the South Pasadena General Plan is to establish a policy framework for assuring the City's economic vitality over the years to come. Used here, *economically viable* means providing a range of commercial and employment opportunities that meet the needs of residents and workers alike, attracting families and businesses to create demand for planned land uses, and establishing and funding public service levels that preserve South Pasadena's quality of life.

There is an interdependence among economic development and the overall quality of life in South Pasadena. The high standards for community facilities and services attract businesses and residents. Population growth, employment growth and new development in turn generate revenues that make high standards possible. Given the City's demonstrated attractiveness to industry and residents alike, opportunity exists for South Pasadena to further strengthen the local economy and maintain high service levels through effective economic development planning.

This element will specifically target areas of the City for future economic development based on careful economic analysis of potential land use. One of the unique qualities of this element is that it builds on the Focus Areas identified in Chapter II and provides future decision makers with concepts of development, based on reasonable potential outcomes. In coordination with the Land Use Element that defines the objectives and guidelines for each Focus Area, the tables contained in this chapter will allow the City to evaluate development proposals as to their fiscal viability and economic desirability. Finally, the identification of the Focus Areas with their objectives and guidelines will be used as the pre-cursors for development of future Specific Plans.

4.1B Authorization and Scope

The Economic Development Element is an optional element of the General Plan, as set forth in the State Planning, Zoning and Development Laws, California Government Code §65303. Although this Element is not required in the General Plan, the City requested that it be prepared to consolidate and codify a growing body of policy concerning the economic and fiscal viability of South Pasadena. This Element may be amended by the City Council to adapt to changing needs and economic conditions.

4.1C Relationship to Other Elements

The Economic Development Element is linked primarily to the Land Use Element. Land use policy, in which the City takes an active role in defining development intensity, balancing and mixing land uses, and establishing design guidelines, is fundamental to economic growth and fiscal well-being. Land use policy also helps the City plan in advance for the secondary effects of development, including employment growth, infrastructure requirements and fiscal impacts. South Pasadena's housing policy is also linked to economic development planning in that economic relationships exist between housing types and employment opportunities, as well as between housing densities and the cost to maintain City service levels. With regard to attracting industry and maintaining mobility for corporate activities, the Circulation Element is also important to the economic development strategy.

4.1D Related Plans and Programs

- **Arroyo Verdugo Cities Regional Comprehensive Plan (RCP)**

This plan is a component of the SCAG Regional Comprehensive Plan and includes the cities of Burbank, Glendale, La Canada Flintridge, Pasadena, and South Pasadena. The economic element of the Arroyo Verdugo Cities RCP analyzes employment, personal income, taxable sales, and labor force characteristics for the five-city region, providing a broader context for the Economic Element of the South Pasadena General Plan.

- **Redevelopment Projects**

The City has two adopted redevelopment projects: The Altos de Monterey Redevelopment Project and the Downtown Redevelopment Project. Redevelopment project areas provide a focused economic strategy for key areas of the City. The Altos de Monterey Redevelopment Project Area is completed and provided only for infrastructure necessary to complete residential development. The Downtown Redevelopment Project consists of five non-contiguous sub-areas. The purpose of the redevelopment project is to create and preserve vital, revenue-generating land uses in this key commercial area. (See Figure I-1, pg. I-6, for adopted redevelopment areas in South Pasadena.)

- **South Pasadena Chamber of Commerce**

The Chamber of Commerce was established in 1905 and currently has approximately 300 members. The Chamber represents the entire business community and provides a bridge between the merchants and the City government. The Chamber is very active, holding monthly legislative meetings, publishing quarterly bulletins, a membership directory, and sponsoring many educational programs for its membership. The Chamber also plays an active civic role, sponsoring community events, street fairs, the annual spring event, and City celebrations such as the 4th of July celebration. Members of the Chamber of Commerce have played an active part in the Downtown Revitalization Committee's work in the General Plan program and the Mission Street Specific Plan.

- **San Gabriel Valley Council of Governments**

The City of South Pasadena participates in the Council of Governments (COG) that was created and consists of 27 cities in the greater San Gabriel Valley. The City of South Pasadena lies on the western edge of the San Gabriel Valley and coordinates with the Council of Governments and the Arroyo Verdugo subregional planning process. COG also has its own Economic Development Committee that provides economic development assistance to the member cities through the Governing Board.

- **Arroyo Verdugo Cities - A Joint Venture**

This coalition of Burbank, Glendale, La Canada Flintridge and Pasadena has the mission of economic development for the four-city region.

4.2 EXISTING CONDITIONS

South Pasadena is a full-service community. As a "full-service community" the City is especially proud of the qualities that make it unique. Looking ahead to the next century, however, decision makers will be faced with the necessity to continue high public service levels that they may find extremely difficult to finance. The city has in the past been reluctant to charge residents for the full cost of services. However, the City has taken appropriate steps to secure needed funds in response to reductions in federal and state assistance. For example, in 1992 the City adopted a utility tax that provided additional revenue to offset service demands from the short fall of the property tax distribution.

Business and industry have contributed much to the economic well-being of South Pasadena over the past 100 years. Not only have commerce and manufacturing provided jobs and services to the population, they have contributed tax revenue required to provide health, safety, and social services to citizens. Today, increased competition among cities throughout the Los Angeles area has the potential to erode South Pasadena's market share, making it very important that South Pasadena follow a comprehensive economic development plan. Efforts must be made to secure an appropriate share of the region's investment. Significant efforts are required not only to encourage new business, but also to retain existing companies. Programs must address the negative impacts of fluctuating market conditions.

4.3 FUTURE CONDITIONS

4.3A Economic Development and Revitalization Potentials

Economic development and revitalization potentials are defined as changes in land use and development that will lead to enhanced economic and fiscal viability. This may include:

- Retail Development
- Bed and Breakfast Accommodations
- Employment Related Land Use
- Mixed-use and Joint Development

- **Retail Development**

Retail land uses generate significant sales tax revenues to the City based on taxable sales of retail goods to the surrounding market area. According to the preliminary retail analysis presented in the *"Existing Conditions and Background for Planning"* report, the City of South Pasadena has the opportunity to capture additional sales of apparel, home furnishings, and restaurants. Currently, the local demand for these goods is leaking from South Pasadena to surrounding cities.

During the 1960s, South Pasadena lost several significant employers. In conjunction, retail business suffered a decline, resulting in only 13 percent of the City's revenues being generated from sales tax. Even after two decades of redevelopment attempts, retail sales tax revenues have not been significantly increased. Currently, sales tax is estimated to make up only about 14 percent of General Fund revenues, and retail development in South Pasadena is capturing 60 percent of local purchasing power.

In order to improve retail capture, the City must consider the location and type of retail demanded in a competitive market, and seek to encourage development in South Pasadena that will meet this demand. Often, this may include improvements in design and access that will facilitate shopping during more hours of the day, increase the capture of local purchasing power, and begin to capture more purchasing power from surrounding cities.

- **Bed and Breakfast Accommodations**

In addition to providing substantial revenues in the form of transient occupancy tax, lodging development is an enhancement to employment development. Lodging opportunities in South Pasadena include smaller-scale inn accommodations for visitors to the City and bed and breakfast uses in conjunction within the historic districts of the community. South Pasadena could accommodate at least five such bed and breakfast facilities; two bed and breakfasts exist in the City already (1998).

- **Employment-related Land Use**

The potential for employment in South Pasadena is viewed as including garden and mid-rise office uses and research and development uses. These uses were historically associated with the City prior to the decline of employment in the 1960's. Areas for employment development may include the Ostrich Farm; sites along Fair Oaks and Huntington Drive; the Mission West area; and west Mission Street, generally between Meridian and Orange Grove.

In encouraging employment development, the City may wish to stress its good image within the surrounding communities, stable and well-educated labor force, and special features and amenities that can be associated with

potential employment centers. The convenience of the Blue Line light rail for access to Pasadena and the Los Angeles Civic Center from the Mission West area should also be stressed.

- **Mixed-Use and Joint Development**

Typically, mixed-use development combines at least three different revenue-generating land uses--retail, office and higher density housing--into a single development concept, with the purpose of generating benefits from the agglomeration and proximity of complementary uses. Given the potential compact scale and high density of new development in South Pasadena, mixed-use concepts have been explored in detail as the General Plan Land Use Element has been prepared. Rather than interpreting mixed-use solely as a combination of three distinct uses, the concept should be viewed in a slightly broader context - as the mixing of a variety of uses - not necessarily as part of one single development. Such mixing of uses should be considered particularly in proximity to transit stations, with possible advantages from joint public-private development.

4.3B Focus Area Development Potentials

The City has chosen to include an Economic Element as part of their General Plan. This economic analysis has been designed to recognize the potential economic opportunities for the City of South Pasadena and to coordinate closely with the General Plan process in order to provide a structure whereby the City can plan for and be prepared to realize those economic opportunities.

This analysis draws upon information compiled by the General Plan consultant; the General Plan Advisory Committee (GPAC); and previous field work and preliminary analysis completed by the consultant. The purpose of this analysis is to provide statistical compilations of existing development, the General Plan potential and the development increment based on the GPAC's recommended land use strategy, computer maps and estimates made by the consultant and City staff. Property tax and sales tax revenue potential are also estimated based on the net development increment in 1996 dollars.

For each focus area, development potential has been estimated through the use of five tabulations, they are:

- Existing Development
- General Plan Potential
- Incremental Development Potential
- Net Development Potential
- Net City Revenue Potential

Existing Development. Existing development was first quantified by land use for each focus area. Building footprints were digitized from aerial photographs, and merged with digitized parcel lines and streets. Once they were digitized and the number of floors recorded, building square footage was calculated. This process results in land use statistics useful in a planning context.

General Plan Potential. General Plan potential was then calculated in 1994 for each land use based on proposed land use designations, specific parking requirements for each focus area, and varying development intensities deemed appropriate for the particular focus area. General Plan potential square footage is conceptual because existing constraints will limit the amount of new development that can be ultimately realized. The land use designations described in the Land Use Policy Map for the Focus Areas are intended as a guide for future land use within these Focus Areas.

Incremental Development Potential. Development potential increment is assumed to be a more realistic estimate of likely development potential given certain constraints to development. Economic constraints include:

- Existing economic viability which limits the likelihood of near-term demolition and recycling of land uses;

- Site constraints which limit development feasibility, such as parking requirements; lot configuration; parcel size; or height limits
- Existing development in excess of estimated potential, where redevelopment would result in loss of economic potential from existing levels due to higher parking ratio standards.

Historic constraints are defined as existing historic fabric that the City would like to retain. Historic fabric may or may not have a formal designation on a historic register. However, the City's desire to maintain its small town character means that existing structures with aesthetic value should be preserved. Once economic and historic constraints are identified, remaining parcels constitute the development potential increment where recycling of existing land uses is more likely to occur.

Net Development Potential. Net development potential is the subtraction of existing buildings assumed to be removed within the development potential increment from the estimated new development potential. Net development potential represents the increase over existing development levels and forms the basis for calculating increased property tax and sales tax revenue.

Net City Revenue Potential. Net revenue potential is calculated for property tax and sales tax. These revenues are calculated only for the net development increment, so as to avoid double counting existing property and sales tax from current land uses that are expected to remain in place. Improvement valuation and sales generation assumptions are included in the detailed tables for each focus area. In some cases, negative revenues are calculated. These negative amounts relate to development that is recycled into other uses. For buildings that are assumed to be replaced, valuation assumptions for property tax are estimated to be 15 percent lower than valuation of new development.

Table IV-1
South Pasadena General Plan Program
Development Potential Summary

General Plan Intent	Development Potential	Revenue Generation Potential	Economic Implications
1. Huntington / Garfield			
The plan encourages conversion of lower density commercial uses to a denser assemblage of retail uses; attracts auto-oriented revenue generating retailers; and encourages shared parking where appropriate. New office development is prohibited.	Most of this focus area could be redeveloped, resulting in a development increment of approximately 234,800 s.f. Net potential is estimated at 184,500 s.f. accounting for removal of existing buildings.	The substantial increase in commercial development potential makes this a key sales tax generator, second only to Central Fair Oaks. If the area develops according to its estimated development potential, it could generate about \$230,600 a year in sales tax revenue	The location, lack of development constraints and access to outside purchasing power make this an ideal location for commercial intensification. This is also one of the few areas for which an automobile orientation will not create substantial adverse traffic impacts on sensitive areas.
2. Fair Oaks / Huntington			
Encourage denser commercial uses with pedestrian links to surrounding residential; require on-site parking but encourage shared parking strategy to achieve higher density; enhance pedestrian friendliness with street front shopping.	Most sites in this focus area could not achieve higher economic use under the General Plan designation. Development potential is calculated at 107,900 s.f., but would require removal of about 98,100 s.f. of existing uses.	The transition from professional office to general commercial uses yields an increase in sales tax of about \$59,900. This shift from office to commercial could be realized through recycled land use or adaptive reuse of existing structures.	With the exception of the vacant lot at the corner of Fremont and Huntington, it is not likely that this area will experience market driven redevelopment. Redevelopment may be beneficial for other reasons, such as aesthetics and urban design.
3. Fair Oaks Corridor			
3a. Central Fair Oaks			
Redesignate about one-half of commercial acreage to mixed use, emphasizing pedestrian orientation. Parking requirements are minimized so that more intense uses can develop. Public parking is anticipated in the vicinity.	While the General Plan capacity would be almost one million s.f., realistic development potential is estimated at about 585,600 s.f., based on historic and economic constraints for certain sites. Net development potential is 443,400 s.f.	Increases in sales tax in both commercial and mixed use development are substantial- about \$289,900. Property tax is estimated to increase by about \$138,200 based on development potential.	Although economic and historic constraints may limit redevelopment of certain sites, the General Plan would allow intensity to more than double in the mixed use category. This is a key area of economic potential.

Table IV-1
(Continued)

General Plan Intent	Development Potential	Revenue Generation Potential	Economic Implications
3b. Upper Fair Oaks			
The General Plan increases office acreage, and reduces commercial acreage slightly. Overall square footage increases by about 190,000 s.f., primarily through reduced parking requirements.	It is not likely that the existing 3-story office building west of Fair Oaks will recycle, limiting new development potential to about 5.5 acres. Net potential is estimated at 97,400 s.f. of commercial and 49,200 s.f. of professional office.	The overall increase in commercial s.f. results in a net sales tax increase of \$121,800. Property tax also increases, by about \$37,100.	This area could expand significantly under the General Plan guidelines. Uses are viewed as complementary to increased development in Central Fair Oaks. This area has the third largest revenue potential, behind Central Fair Oaks and Huntington/Garfield.
3c. Lower Fair Oaks			
Maintain lower density, auto-oriented commercial, shifting a substantial amount of acres to professional office. Require on-site parking. Encourage a pedestrian friendly street front, consistent with the vision for the Fair Oaks corridor.	Net development potential is estimated at about 169,100 s.f. assuming two story office and single story commercial. Few development constraints have been identified, but parking requirements limit new commercial potential. Commercial intensity in the General Plan is increased, but commercial acreage is decreased.	Incremental property tax revenues are projected at \$46,000, while sales tax revenues would decline by about \$16,400. The overall net revenue increase would be \$31,700.	While the General Plan designations do not create substantial revenue generation, the secondary economic effects of employment--an estimated 500 to 800 jobs could be accommodated--would potentially create synergy with commercial uses in the Central Fair Oaks focus area.
4. Raymond Hill			
The General Plan retains commercial and office uses according to existing designations. Lower density is appropriate, given the requirement of on-site parking.	Limited intensification on the main commercial site is possible, with a net increase of about 17,400 s.f. Economic and historic constraints limit potential on other non-residential sites within the area.	The net development increment would generate an additional \$21,800 in sales tax and \$4,200 in property tax.	Parking constraints and limited potential for expansion beyond the existing envelope make this site an unlikely candidate for recycling from an economic standpoint. Aesthetic and urban design goals, however, could be met through new development in this area.

Table IV-1
(Continued)

General Plan Intent	Development Potential	Revenue Generation Potential	Economic Implications
5. Fremont Corridor			
The General Plan encourages adaptive reuse of existing residential buildings in office corridors north of Hope St. and generally south of Oxley St. Adaptive reuse into office is viewed as having minimal impacts on surrounding residential neighborhoods.	Due to economic and historic constraints between Hope and Oxley, development potential is generally limited to office reuse of existing residential (an increase of about 100,000 s.f.) About 12,400 s.f. of mixed use could also be accommodated.	Due to the fact that little new valuation is added, and no commercial uses are added, this focus area generates minimal net revenues--\$2,700 in sales tax and \$3,500 in property tax.	The strategy for this corridor is not driven by economics as much as design and preservation intentions. Adaptive reuse of existing residential creates new opportunity for older homes, and could preserve the vitality of an outdated corridor.
6. Mission Street Historic District			
See Mission Street Specific Plan	See Mission Street Specific Plan	See Mission Street Specific Plan	See Mission Street Specific Plan
7. Ostrich Farm			
The General Plan converts some existing commercial uses to Business Park/ Research & Development and Light Manufacturing, concentrating remaining commercial uses at the intersection of Monterey and Pasadena. Manufacturing acreage increases from 9.6 to 12.45 acres.	No economic or historic constraints were identified, resulting in potential recycling of 236,700 s.f. of existing manufacturing into about 453,900 s.f., for a net increment of about 217,200 s.f.	Property tax would increase by about \$46,100 with increased square footage; sales tax associated with manufacturing uses would increase by about \$20,200.	Few development constraints and revenue-positive fiscal impacts would make this area a potential asset for South Pasadena. As uses redevelop, however, careful attention must be paid to the competitive market for Business Park/Research & Development and Light Manufacturing space within the San Gabriel Valley.
8. Arroyo Annexation			
Expand Open Space	Expand Open Space	Unknown	None

Source: Stanley R. Hoffman Associates, Inc.

- **Key Findings**

1. Land Use

Table IV-2 shows the existing land-use compared to the General Plan land-use designations in acres for the Focus Areas and the Mission Street Specific Plan. Overall, the general commercial acreage increases while manufacturing/business park acreage decreases, due to the redesignation of the Mission Street Specific Plan. The greatest change in General Commercial occurs in the Central Fair Oaks and Mission Street Specific Plan Areas. Major changes in Professional Office land-use are located within the Upper Fair Oaks, Lower Fair Oaks and Fremont Corridor areas. Mixed-use development potential is estimated to occur in the Central Fair Oaks and Fremont Corridors.

Table IV-2						
Redesignation of Non-Residential Acreage Under General Plan						
	General Commercial		Professional Office		Business Park/Research & Development and Light Manufacturing	
<u>Focus Area</u>	Existing	Gen. Plan	Existing	General Plan	Existing	General Plan
1. Huntington/Garfield	12.0	12.3	0.3	0.0	0.0	0.0
2. Fair Oaks and Huntington	3.3	6.2	2.9	0.0	0.0	0.0
3. Fair Oaks Corridor:	---	---	---	---	---	---
3a. Central Fair Oaks	17.5	19.7	1.2	0.0	0.0	0.0
3b. Upper Fair Oaks	6.0	4.4	2.8	3.6	0.0	0.0
3c. Lower Fair Oaks	6.8	2.7	1.8	6.0	0.0	0.0
4. Raymond Hill	4.8	4.8	1.2	1.0	0.0	0.0
5. Fremont Corridor	0.9	0.0	3.3	6.4	0.3	NA
6. Mission Street District	3.6	31.9	0.0	0.0	21.2	0.0
7. Ostrich Farm	2.3	1.5	0.3	0.0	9.8	13.0
8. Arroyo Annexation	0.0	0.0	0.0	0.0	0.0	0.0
	57.2	83.4	13.8	17.0	15.0	13.0

2. Net Revenue Potential

New sales tax related to retail uses in general commercial and mixed use land uses is projected at build-out in 15 years to result in about \$730.5 thousand annually, or about 69 percent of the total. Property tax revenues would account for the remaining \$324.9 thousand in new revenue, at about 31 percent of the total. Assuming development of the land uses specified in Table IV-2, South Pasadena is estimated to realize an increase in annual operating revenue of about \$1.06 million. Central Fair Oaks is projected to be the single largest revenue generator, with new revenue estimated at about \$428.1 thousand. Other key revenue generators include Huntington - Garfield and Upper Fair Oaks.

3. Long Term Fiscal Impacts

The City of South Pasadena is largely built out. With few opportunities for new development of vacant land, land use changes in the future will most likely occur through redevelopment of existing sites. This opportunity for redevelopment, or recycling of land use, offers the City a chance to approve projects that further both the design principles and economic goals of the City.

The City of South Pasadena has relied largely on property tax revenue over the years, receiving an allocation of about 24.1 cents of the one dollar of property tax collected. However, since Proposition 13 limits the increase in property valuation--and thus property tax revenue-- to two percent per year, the City's largest revenue source is steadily eroding in relation to costs which increase with inflation. In order to maintain long term fiscal viability, the City is faced with two choices: increase revenues or cut City services. Revenue increases can be achieved through direct and indirect methods. Direct methods include new taxes or assessments to augment existing City revenues. Indirect methods include redevelopment, strategic land use planning and economic development.

The General Plan provides strategic land use planning to encourage a mix of land uses that will be fiscally balanced over the long term. One of the goals of the Land Use Element is to promote new and existing commercial uses that generate sales tax revenue. Unlike property tax, the City's sales tax receipts depend largely upon the degree to which its retail base performs within the local market. Traditionally, South Pasadena, which has few large vacant sites available, has not sought large sales tax revenue generators. Rather, the City's retail base is more specialized, generally smaller scale and somewhat limited in its ability to attract purchases from outside the community.

4. Economic Implications

As presented in the development potential summary, each focus area has unique land use issues that must be addressed in relationship to economic development goals. While the City does not have the potential for major, regional retail centers, there are a number of opportunities that lend themselves to community level retailing and offices that can serve the local residential population while also attracting additional business from surrounding communities.

South Pasadena has a close knit community feeling that can be enhanced through emphasis on pedestrian orientation and shared parking. Since lot configurations, in many cases, do not lend themselves to effective parking configurations, the use of parking districts and parking management techniques will enhance the business environment. Also, preserving key, older buildings, while intensifying adjacent parcels, will serve to retain the historic community character.

The major commercial thoroughfares, Fair Oaks and Huntington Drive, are important assets in expanding the commercial base of the City of South Pasadena. Huntington Drive provides an effective arterial that links South Pasadena with surrounding communities and carries significant traffic volumes. Recycling existing uses to greater commercial opportunities will not occur immediately because of their current economic viability, but this corridor area will be important in a long term economic strategy.

The Fair Oaks corridor provides the greatest commercial opportunities, but also some of the greatest challenges. In addition to enhancing parking and pedestrian orientation, this area has many of the older, historic buildings that may be preserved. While redevelopment authority and a parking district cover a portion of this area, a variety of implementation approaches and financial incentives will be important in stimulating this area to recycle and upgrade.

Also, significant mixed use development potential is allocated to the Central Fair Oaks area that could provide an incentive to attract new development. Since this is a relatively new land use option for the City, its success should be monitored and closely coordinated with the use of various implementation approaches and financing incentives.

Additionally, the City of South Pasadena has important opportunities to expand its economic base with the recycling of older residential structures to offices along the Fremont Corridor and to business park uses in the Ostrich Farm area. While these are not expected to be major land uses in the context of the larger, more modern business parks in neighboring communities, South Pasadena does offer the advantages of living close to work, in an attractive residential community and still having accessibility to major centers such as downtown Los Angeles and the Pasadena-Glendale-Burbank area. Additionally, a light-rail line will be extended from Los Angeles through South Pasadena thus providing another important mode of transportation.

4.3C Potential Development Activities

The potential for additional development activity exists in the following areas:

Existing Downtown Redevelopment Project Area: The Downtown Revitalization Task Force has identified a number of potential improvements, including pedestrian improvements; parking improvements; building restoration and enhancement; and preservation of unique retailing.

Areas adjacent to the Downtown Redevelopment Project: The two blocks west of the Downtown Redevelopment Project have been identified by the Task Force as having potential for improvements, including reuse of the Pacific Telephone Building; shared parking for weekend commercial uses; streetscape improvements and retail enhancement.

West Mission Street: The area between Orange Grove and Arroyo Drive currently contains opportunities for employers of moderate size (e.g. 50 - 75 employees). Additional development potential may exist should the City decide to relocate its public works yard, which is currently located on West Mission Street. Sale or lease of City-owned property in this area may also yield financial resources for improvements.

Mission West Historic District: The Mission West Historic District has the potential to become a significant transportation node with the Blue Line Station at Meridian and Mission Street. Within the immediate area is a large undeveloped parcel, with the potential for housing, specialized retailing or mixed-use development. Additionally, transit improvements could provide incentives for revitalizing underutilized employment areas south and west of the Mission West Historic District.

Ostrich Farm: Redevelopment may play a key role in providing necessary infrastructure improvements to transform this area into a viable employment center. Circulation improvements, and other physical improvements may be necessary to correct long-standing deficiencies.

Raymond Hill: The Raymond Hill area could potentially be assisted with redevelopment funding for improvements to the existing housing development. Assistance could be in the form of rehabilitation, cosmetic facade renovations, infrastructure improvements or new development.

Arroyo Annexation: This Focus Area has no current development potential.

4.4 ISSUES

There is an interdependence among economic issues and the overall quality of life in South Pasadena. The high standards for community facilities and services attract businesses and residents. This attraction generates revenues which make high standards possible. Given its demonstrated attractiveness to industry and residents alike, opportunity exists for South Pasadena to further strengthen the local economy and maintain high service levels through effective economic development planning.

4.4A Economic Expansion

In order for South Pasadena to realize its economic potential and provide more jobs, shopping opportunities and services for its residents, it must take a proactive stance towards economic development including an enhanced retail base, more office/professional development and a revitalized light industrial area. A strengthened economic base for the City of South Pasadena is essential, and can be segmented into the following categories:

Employment base. South Pasadena has an excellent image and very good accessibility to the regional labor force, especially through the regional transit system. While many major employers have left the City in the past, the new opportunities associated with regional transit development, and emerging industrial development in adjacent areas can be tapped to generate job growth in South Pasadena.

Retail base. The City of South Pasadena currently captures about 60 percent of the retail demand of its residents. Major retail leakage occurs in specialty retailing, general merchandise, restaurants, apparel, home furnishings and appliances. High quality retail development in a diverse urban environment could not only satisfy unmet demand by South Pasadena residents, but may draw in purchasing power from outside the City. Strengthening South Pasadena's mix of retailers would increase tax revenue to the City and improve shopping and employment opportunities for South Pasadena residents.

4.4B Fiscal Viability

Long-term fiscal viability must be related to land use. Given the economic realities in California, each local jurisdiction must maintain its own fiscal viability. Economic cycles, State cutbacks, and increased competition for revenue producing land uses all contribute to the need for a long term fiscal strategy that is integrated with land use policy. This requires coordination of land-use planning and policy, economic development policy, and local fiscal policy, including taxation. It must also be recognized that long-term fiscal viability requires incremental public and private investment, including development impact fees.

4.4C Managed Growth

Managed change. This land-use concept has been formulated to provide flexibility for the City in achieving development goals. The land-use plan identifies special Focus Areas in which economic development potential is concentrated. These Focus Areas could accommodate mixed land uses, residential intensification, theme implementation, greater intensity or increased flexibility in use as appropriate to each situation. Each Focus Area receives special treatment to determine appropriate density, land use, and character.

4.4D Mixed-Use Developments

Mixing of land use. Innovative land use combinations should be used to encourage innovative development to take advantage of the City's character and access to transit, and to provide development patterns unique to South Pasadena. Mixed-use development combines different land uses with the purpose of generating benefits from the synergy that occurs with proximity of complementary uses. Given the potential compact scale and high density of new development in South Pasadena, mixed-use concepts have been explored in detail as the General Plan Land Use Element has been prepared. The concept should be viewed as the mixing of a variety of uses and not necessarily limited to part of one single development. Such mixing of uses should be considered particularly in proximity to transit stations, and in other areas where higher density development is desirable.

4.4E Adaptive Reuse of Structures

The scale, character and architectural heritage of South Pasadena should be capitalized upon to set the tone for marketing themes, strategy and improvement programs. Strategies to encourage adaptive reuse and the conservation of worthy structures should be encouraged; demolition should be strongly discouraged and incompatible uses prohibited. Design guidelines and incentives should be established to point a direction and foster creativity within the development community.

4.4F Cultural Attractions

The community has expressed a desire to promote cultural attractions as an opportunity to generate positive economic impacts for South Pasadena. Preliminary economic analysis of the South Pasadena area indicates that additional events and attractions are needed to complement the Mission West Arts Festival, Safety Fair, Historic Home Tour, and Concert Series.

4.4G Development Tools

Because of historically high service levels and limited potential for new development, growth in South Pasadena over the last decade has followed a trend in which recurring costs are increasing more rapidly than recurring revenues. The City's established residential character has created a fiscal environment in which the demand for services could eventually exceed the City's potential revenues, possibly forcing a change in service levels. In order to generate significant long-term increases in recurring revenues such as sales tax and property tax, the City must facilitate growth in its economic base. Several important tools to encourage revitalization and reuse of outdated land uses, toward the goal of a more robust and diverse economy, are shown in Table IV-3, pg. IV-20.

In addition to design and environmental improvements, redevelopment serves two primary purposes from a fiscal perspective. First, redevelopment can provide capital funding through property tax-increment financing for necessary infrastructure improvements, thus enabling development and revitalization of blighted areas. Second, redevelopment can significantly augment recurring revenues, such as sales tax, if retail conditions are improved.

The City of South Pasadena has current redevelopment objectives as follows:

- To provide sufficient land within projects for retail and commercial development to serve both community and regional needs;
- To create a climate for combined public and private investment that will benefit the community as a whole;
- To provide assistance, enticements and encouragement to ensure future development at its highest and best use in accord with community values; and
- To provide plans that transition the character of projects from a blighted area to an economically viable area.

4.5 GOALS AND POLICIES

Economic development is the dynamic process of actions and decisions by Business, Government, Labor, and Consumers which produces and sustains economic growth. The goals and policies section of this Element creates a “blueprint” for economic development decisions in South Pasadena and is consistent with the values and vision statements included in Chapter I of this document. This blueprint for economic development will be accomplished through the following goals:

- Support existing business
- Increase the City’s revenue base
- Broaden City’s employment base
- Target development interests into Focus Areas
- Maintain long-term fiscal viability
- Promote and enhance the City’s image to business

GOAL 1: To support existing businesses.

Policies:

- 1.1: Help local businesses retain and increase their competitive-edge.
 - 1.2: Promote the highest quality public service to existing businesses.
 - 1.3: Encourage business assistance such as the South Pasadena Chamber of Commerce, or “Main Street Program” as developed by the National Trust of Historic Preservation.
-

GOAL 2: To increase city revenues by fostering commercial development.

Policies:

- 2.1: Promote new business that results in a balanced mix in the business community.
 - 2.2: Promote the adaptive reuse of existing structures in the community where land use changes are occurring.
 - 2.3: Secure the City’s share of the San Gabriel Valley region’s economic investment and development.
 - 2.4: Promote new business that reduces revenue leakage.
-

GOAL 3: To broaden the city’s employment base by attracting quality job/employment opportunities.

Policies:

- 3.1: Encourage new business and industry.
 - 3.2: Promote the City's regional location and access to transit.
 - 3.3: Attract additional office users for existing vacancies.
 - 3.4: Promote business park/research & development and light manufacturing in designated Focus Areas.
-

GOAL 4: To target development interests into the focus areas that will maximize benefits to the city.

Policies:

- 4.1: Promote the revitalization, intensification and development potential, as stated in Table IV-I, for the Focus Areas.
 - 4.2: Promote transit-oriented businesses around the Blue Line Station.
 - 4.3: Promote cultural events and programs that are complimentary to the business environment.
-

GOAL 5: To maintain long-term fiscal viability through balanced land use planning

Policies:

- 5.1: Encourage continued investment in public infrastructure to maintain economic productivity.
- 5.2: Consider the long-term fiscal impacts of new development, on a project by project basis.
- 5.3: Maintain balanced long-term fiscal viability in conjunction with the land use plan.

GOAL 6: To promote and enhance South Pasadena's image as being desirable location for business.

Policies:

- 6.1: Provide marketing to attract investment and generate retail sales.
- 6.2: Provide management to facilitate economic development.
- 6.3: Provide incentives to investors.

4.6 STRATEGIES

4.6A Economic Development Component

A variety of implementation approaches may be needed for the City of South Pasadena to realize its desired economic goals and objectives. Since the City is largely built out, each focus area may require a different combination of implementation approaches and financial incentives as presented in Table IV-3.

This list is not meant to be all inclusive, but rather to suggest the kinds of techniques that may be required as part of an overall economic strategy for the City to realize its economic potential.

The implementation approaches are divided into two broad categories: 1) Planning and Regulatory; and 2) Pro-Active techniques. Currently, the City is using a variety these techniques and the implementation of others may be appropriate.

Table IV-3
Implementation Approaches

Planning and Regulatory		Pro-active	
Technique	Description	Technique	Description
General Plan	<i>Comprehensive land use strategy to balance municipal services and revenue generation.</i>	Redevelopment	<i>Revenue generation for infrastructure enhancement; focused land use plan to achieve maximum economic benefit from land uses.</i>
Zoning	<i>Implementation of General Plan Land Use Element;</i>	Parking District / Parking Management	<i>Comprehensive parking management to achieve economic advantages such as increased development intensity and enhanced shopping areas.</i>
Specific Plans	<i>Comprehensive strategies for physical and economic enhancements to sub-areas of the City.</i>	Business Improvement District	<i>Self-financing district to provide marketing, publicity and safety enhancement to participating businesses</i>
Development Agreements	<i>May be appropriate in selected cases to ensure long-term commitment.</i>	Sales Tax Incentive Agreements	<i>Incentives to attract desirable sales tax generating businesses to key sites in the City.</i>
Urban Design Guidelines and Standards	<i>Incorporation of incentive programs, such as density bonuses or facade improvement programs.</i>	Alternative Financing Techniques	<i>Special assessments; special taxes; impact fees; waiver of impact/processing fees; Federal or state grants and loans;</i>
Streamlined Processing	<i>Risk reduction and cost savings for projects that support the City's development strategy.</i>	Economic Development programs	<i>Coordinated effort to attract desirable businesses to key sites; public relations effort to communicate advantages of locating in South Pasadena.</i>

The General Plan will provide the overall framework within which economic activities will be considered and approved.

The next logical step may then be to implement Specific Plans in areas that have the most immediate potential, such as is already occurring in the Mission District. These planning tools, along with urban design guidelines and standards, give prospective developers, landowners and builders the level of information they need to plan projects that have a strong certainty of being approved.

Additionally, streamlining the planning and approval process reduces the risk of development by lowering the processing and holding costs. Development agreements may also be appropriate for innovative projects that have a relatively longer time frame and provide developer guarantees of completing their projects which will assist in obtaining necessary capital financing.

The pro-active approaches include a variety of financial techniques that range from Redevelopment tax increment and parking districts to alternative financing techniques that include a variety of special taxes and assessments. Some of these techniques are already available in selected areas of the City. Other cities that have revitalized older areas, such as Pasadena and Santa Monica, have found that parking districts and shared parking have been very effective. These districts may be funded through a combination of assessments and public sources, such as redevelopment tax increments and parking revenues.

Additionally, Business Improvement Districts should be considered which include assessments on local businesses for clearly defined economic purposes. These assessments are fed back into business districts for a variety of purposes, including marketing, publicity, beautification, landscaping and lighting and safety enhancements for participating businesses.

Along with these techniques there are other alternative financing techniques that should be considered including city-wide or sub-area parcel taxes for the maintenance or enhancement of selected key public services that are viewed as essential for creating the type of environment conducive to economic development. These services could range from public safety to public works including repair, beautification and maintenance to lighting.

Another alternative financing technique is the use of sales tax incentives, particularly for projects that have the potential for strong sales tax performance. These types of rebates should be carefully structured so that they provide clear public benefits and leave adequate surplus revenues to the City for other general government functions.

Finally, as part of a comprehensive economic strategy, the City should pursue the federal, state and regional grants and loans that are available for downtown revitalization which could range from multi-modal funding through Inter-modal Surface Transportation Efficiency Act (ISTEA), to historic preservation, to business assistance programs. After the General Plan is approved, the implementation approaches should be continually monitored and evaluated for those Focus Areas or city-wide, where they can enhance the overall economic goals and objectives of the City.

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4.6B Focus Area Development Assumptions and Calculations

1. *Huntington - Garfield*

1. Development Assumptions

This area is viewed having potential for intensification of commercial uses, primarily south of Huntington Drive. Because of its location at the southeast corner of the City, a “gateway” orientation is appropriate. As such, the site should be able to draw in shoppers from surrounding areas and generate substantial sales tax revenues to South Pasadena.

GPAC comments support development of a specific plan resulting in a large commercial development with an auto orientation that would serve a broader community level market. One GPAC member’s vision for the area states: *“This area should become, ultimately, a denser assemblage of structures, auto-oriented, but established with zero front setback, with parking behind, and vehicular access carefully focused at Huntington Drive and Garfield/ Atlantic. Parking at rear (west) would be a landscaped open space buffer between properties on the west side of Olive, [allowing these parcels] to continue their residential expression.”*

The area is viewed as one of the key opportunities to develop a major sales tax generator in the City. One possible format for the approximate 12 acre site would be a high-volume retailer with surface parking.

The GPAC vision for the site would require higher commercial densities coupled with parking structures.

To support the economics of a parking structure, the development would have to reach a broader market area and contain a mix of well recognized retailers--most likely apparel, home furnishings, restaurants and specialty shops.

Using the GPAC vision for the site, an average building height of 1.5 floors is envisioned, with surface parking only. In this configuration, the building footprint occupies about 30 percent of the site. The recommended auto orientation would suggest parking at 4.0 spaces per thousand square feet. However, using shared parking and other reduced parking strategies, a ratio of 3.5 spaces per 1,000 square feet may be feasible. The reduced parking requirement allows for more development on site, increasing the market potential to realize the GPAC vision for the site. Parking should be located along the western portion of the large commercial site to buffer residential uses from commercial activity. A parking structure is only viable if the land value increases substantially. Development approval for multi-story mixed use commercial could act to increase the perceived value of the site, thus making a parking structure economically viable at some point in the future.

Few physical development constraints are present, with no buildings deemed worthy of preservation according to the GPAC and City staff. Development intensification would have little or no effect on South Pasadena, due to the location at the southeast corner of the City. The key constraint is the provision of on-site parking. Currently, the supermarket use requires that a substantial portion of the site be devoted to parking. Intensified commercial uses would have to provide structured parking to support multi-level, mixed use development.

The viability of existing commercial and office uses in this Focus Area may tend to delay succession of use. However, the location at a busy intersection with access to relatively affluent markets makes this a prime development site for retail or other commercial uses. With the current use as a supermarket, intensification potential on the site is limited. However, if more intense commercial uses can be supported in the market, the site could support a substantially greater level of development.

2. Development Calculations

Existing development. The Focus Area currently includes lower density commercial development, and scattered office development. The major use is the Ralph's Market located on the south side of the Huntington Drive/Garfield Avenue intersection. The location provides a broader community-level orientation, serving South Pasadena, San Marino and Alhambra. Existing land use is distributed between general commercial (12.0 acres, 50,300 square feet) and professional office (0.33 acres, 13,800 square feet). General commercial uses have a current parking ratio of 4.17 spaces per 1,000 square feet, while the office parking ratio is currently at 1.45 spaces per 1,000 square feet.

General Plan potential. According to the General Plan, the entire 12.33 acres would be redesignated general commercial. The only use to change from existing uses is the office building located northwest of the intersection of Huntington Drive and Garfield Avenue.

Incremental development potential. The existing office building in this area is not anticipated to redevelop general commercial due to site constraints and viability in its existing use. This effectively limits the developable area of the focus area to about 12.00 acres, including the entire area south of Huntington Drive as well as the corner gas station site north of Huntington Drive.

Allowing for these economic and physical constraints (12.0 developable acres instead of 12.33 acres), and reducing the required parking ratio from 4.0 to 3.5, development potential is calculated at 234,800 square feet. The reduced parking ratio may be appropriate if the GPAC vision for the site is realized. Accounting for removal of the existing 50,300 square feet, the net development potential is about 184,500 square feet.

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2. *Fair Oaks - Huntington*

1. Development Assumptions

Comments generally suggest the development of a neighborhood retail area, with pedestrian orientation and a continuous street wall. This area is viewed as a primary southern gateway to the City. GPAC recommendations range from demolition of existing structures on all four corners of Fremont/Huntington for new development, to the preservation of parcels at all four corners. In general, comments suggest emphasizing commercial retail and phasing out office development. However, to achieve multi-story development, other non-retail uses will have to be considered for upper floors. GPAC comments are both supportive and opposed to mixed use. Due to the lack of agreement by GPAC members on the development of this area, development assumptions are somewhat limited in detail. Surrounding uses should fill in underutilized parcels and maintain minimum setback street front.

The existing five-story office building is economically viable, and can be expected to remain. GPAC comments suggest density that will complement the five story building, such as a four story height limit with mandatory setbacks limiting building footprints to half the site area. However, given the General Plan land use designation of general commercial, multi-story development without public parking off-site is not viewed as feasible. Under a neighborhood orientation, parking can be reduced if linkages to surrounding neighborhoods can be strengthened. However, these linkages depend upon the types of retailers attracted to the area. Services, convenience retail and restaurants would be appropriate.

This analysis assumes a full 4.0 spaces per 1,000 square feet of new commercial, substantially limiting development potential.

The area contains smaller parcels separated by major thoroughfares, limiting pedestrian access between quadrants. Unrestricted turn lanes connecting Huntington Drive to Fair Oaks Avenue further separate development. Some historic fabric should be retained, including the building at the southwest corner of Fremont Avenue and Huntington Drive and facades along the south side of Huntington Drive. A vacant lot located at the northwest corner of Fremont Avenue and Huntington Drive represents a development opportunity, as do underutilized parcels along the north side of Huntington between Fair Oaks Avenue and Fremont Avenue.

Due to limitations on parcel size and depth, a neighborhood focus and other physical constraints, this focus area is not likely to support significant new commercial development. While some GPAC members support increased development intensity in the area--similar to the existing five story office building--the market does not seem to support that level of development currently. New development can be expected first on vacant and underutilized properties where succession of use is not required, such as the vacant lot at Fremont Avenue and Huntington Drive. However, existing uses that are economically viable are not likely to see redevelopment unless dramatic change sweeps the area.

2. Development Calculations

Existing development. This area currently contains a mix of office, retail and high density residential uses characterized by older buildings. The five story office building at the terminus of Fair Oaks serves as a visual anchor for the corridor. The existing uses are spread between general commercial (3.33 acres and 75,000 square feet) and professional office (2.89 acres and 100,400 square feet). Corresponding FARs are 52 percent for general commercial and 80 percent for office, indicating a fairly intense level of existing uses. Parking is limited, with existing parking ratios at 1.96 spaces per 1,000 square feet for general commercial and 1.74 spaces per 1,000 square feet for office.

General Plan potential. Conceptual development under the General Plan would result in 95,900 square feet of general commercial, assuming parking ratios increase to 4.0 spaces per 1,000 square feet.

Incremental development potential. Taking development constraints into account, about 5.0 acres are considered as having the potential to recycle from their existing use, resulting in development potential of about 89,600 square feet. This calculation incorporates an average building height of 1.5 floors, rather than the single floor assumption under the General Plan.

Surface parking is still assumed. Accounting for the loss of existing uses (about 60,000 square feet of general commercial and 38,100 square feet of professional office), the net development increment is 29,600 square feet of general commercial, with an overall loss of about 38,100 square feet of professional office.

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3. *Fair Oaks Corridor*

3a. **Central Fair Oaks**

1. **Development Assumptions**

The Central Fair Oaks district offers the key to commercial revitalization and pedestrian orientation in the City. Goals specified by the GPAC include the maximization of pedestrian friendly activity; the promotion of mixed uses; the accommodation of outdoor dining, public plazas, and significant architectural effects; and overall density increase. The GPAC recommends:

- 1.) *“Designating Central Fair Oaks Avenue as a district consisting of ground level retail/ restaurants with offices or housing above (or as rear or courtyard uses), and concentrating as much activity as possible in one place.*
- 2.) *Allowing two stories of office or housing on upper floors of buildings fronting Fair Oaks Avenue, and up to one level of office or housing on the upper floor for buildings fronting only Mission Street.”*

Set backs and height limits should be used, rather than floor area ratios, to regulate density. GPAC comments suggest a three-story height limit for buildings fronting on Fair Oaks Avenue, with zero-front set-backs. A two-story height limit is recommended for buildings on Mission Street. The GPAC also encourages infill development between and in front of existing buildings to promote continuity of storefronts. This may even occur in alley ways that currently interrupt the street front continuity.

The recommended parking strategy utilizes shared parking, parking management, parking structures and other techniques to minimize the impact of parking and promote the district’s walkability. In general, this area should have relatively lower parking requirements than either Upper Fair Oaks or Lower Fair Oaks. The consultant views a public parking structure as necessary to support the level of development proposed for this area. Such a structure should be located within easy walking distance of the area’s pedestrian oriented uses.

Key physical constraints include difficulty in creating development opportunity due to parcelization and ownership patterns; and adapting existing structures to more economically viable uses.

2. **Development Calculations**

Existing development. The Central Fair Oaks Focus Area contains a mix of commercial uses, including older storefronts and newer commercial buildings. The predominance of historic fabric lends the area a unique appearance. Key existing uses include the Rialto Theater, Vons supermarket and Rite Aid. Existing land use includes about 373,500 square feet of general commercial and about 9,700 square feet of professional office. The overall parking ratio is currently less than one space per 1,000 square feet of development.

General Plan potential. The General Plan allows a mix of uses within the commercial in the core area (between Mission and Oxley). The Focus Area designation allows for alternative second floor use of commercial buildings, primarily professional office. Assuming average building heights of 1.5 floors across general commercial uses and 2.5 floors for mixed use development, a total of 970,000 square feet of development potential exists. Reduced parking requirements allow for more intensive development.

Incremental development potential. Of the approximately 20 acres within the Focus Area, about 11.7 could realistically be expected to undergo redevelopment, resulting in a development potential of some 585,600 square feet. About 142,200 square feet would have to be removed to achieve this development, for a net increase of about 443,400 square feet.

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3b. *Upper Fair Oaks*

1. Development Assumptions

The GPAC states: *“This Focus Area, although presently exhibiting automobile-oriented land-use characteristics, represents a potential for expansion of the Central District core uses and character.”* Goals for the area include pedestrian-oriented commercial growth in support of the Central Fair Oaks area; maintenance of visual continuity; creation of a sidewalk environment; and increased public safety. Ground level commercial uses are encouraged, primarily restaurant and retail. Traditional auto-oriented uses are acceptable if they conform to pedestrian-orientation of the area.

Development intensity in this area is subordinate to growth in the Central Fair Oaks area. Once desired development levels are achieved in Central Fair Oaks, development should be allowed at levels commensurate with Central Fair Oaks, i.e., a three-story height limit. In the short term, development intensity should be focused on infill and maintenance of at least a single-story street wall along Fair Oaks Avenue. This Focus Area should provide parking opportunities for the entire Fair Oaks corridor. A public parking structure in this area would support higher-intensity development in both the Central Fair Oaks and Upper Fair Oaks focus areas.

The existing multi story office building on the west side of Fair Oaks is economically viable and is not expected to redevelop. Adjacent residential uses limit development potential, primarily properties located along Brent between Hope and Grevelia.

2. Development Calculations

Existing development. Upper Fair Oaks currently contains a mix of retail, restaurant and other commercial uses. Key uses include Bristol Farms; a bi-level mini-mall at Fair Oaks and Hope; and the three story “Fair Oaks Office Building” located at 625 Fair Oaks Avenue. Commercial development is estimated at 93,800 square feet on about 6.00 acres. Professional office development is estimated at about 116,000 square feet on some 2.80 acres.

General Plan potential. Under the General Plan, professional office acreage increases slightly. General commercial acres decreases slightly, through the loss of parcels not fronting on Fair Oaks, and through the transition of office uses at Fair Oaks and Grevelia. General Plan potential is estimated at about 399,800 square feet.

Incremental development potential. Assuming the existing three story office building will not recycle, potential office development is estimated at about 49,400 square feet. With the abandoned alley space included in the Bristol Farms development, general commercial potential is estimated at about 191,200 square feet. To achieve this potential, about 93,800 square feet of existing general commercial uses would have to be removed, resulting in a net increment of about 146,600 square feet altogether.

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3c. *Lower Fair Oaks*

1. Development Assumptions

Auto-orientation is proposed for this area, with primarily commercial development. A pedestrian environment is to be encouraged through the use of zero front set backs, restricted curb cuts along Fair Oaks and parking located in transitional buffer zones behind development. In addition to auto orientation, land uses should serve adjacent residential areas.

GPAC recommendations include medium density auto-oriented commercial, along with two to three story office buildings and possibly even lodging. Fast food, drive-through and auto sales should not be allowed. The GPAC did not reach a consensus supporting mixed use development, but with lower densities and auto-orientation, mixed-use development is not likely to be attracted. Lower overall commercial density is recommended in this area compared to Central Fair Oaks. Lower density auto-oriented development should be supported by on-site surface parking.

This Focus Area is exposed to surrounding residential uses and must respect existing residential fabric. A strong auto-orientation and lower average density will limit the development potential.

The lack of historic fabric worthy of preservation will allow more flexibility for sites to redevelop should the market see the opportunity. Due to economic viability in its current use, the Pavilions site is not likely to see succession of use in the short term, limiting the potential for change in this area.

2. Development Calculations

Existing development. Lower density auto-oriented commercial uses predominate in this area. Key existing uses include Pavilions and auto sales and repair. Existing uses viewed as inappropriate include used automobile sales, and automobile repair. Some GPAC members suggest preserving historic fabric in the area, while others see no aesthetic value in existing structures. City staff have not designated any buildings as worthy of preservation.

General Plan potential. The General Plan redesignates all uses except the Pavilions site as professional office, with office acreage increasing from 1.82 acres to 5.95 acres. The General Plan would allow intensified commercial development at the south west corner of Monterey and Fair Oaks, and would encourage increased density in remaining office land uses. Estimated supportable development is calculated at 65,100 square feet of general commercial and 240,500 square feet of professional office. Parking would have to increase substantially to support intensified commercial and office uses.

Incremental development potential. Most of the focus area could conceivably redevelop under General Plan designations, limited only by historic constraints at the south east corner of Bank and Fair Oaks. Accounting for this constraint, development potential is slightly less, with 221,900 square feet of professional office. Redevelopment of this area would require the removal of about 117,900 square feet of existing uses, for a net increase of about 169,100 square feet.

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4. *Raymond Hill*

1. Development Assumptions

Many of the GPAC comments state that this area is a gateway to the City, and that the gateway image should be reinforced. The GPAC encourages a mixed-use anchor at the Fair Oaks/State Street intersection of the Focus Area with linkages both to Raymond Hill residential and Upper Fair Oaks commercial uses. Development intensity is likely to remain low, approximated by a 25 percent floor area ratio. The area will most likely remain auto-oriented, with required on-site surface parking for commercial.

2. Development Potential

Existing development. The GPAC states: *“This predominately multi-family residential enclave developed in the 1950s and early 1960s is located atop one of the highest hill[s] and affords tremendous views. At the base of the hill fronting Fair Oaks is a mixture of commercial enterprises.”* The Orchard Supply Hardware store is the key commercial use in this area. Current development is estimated at about 62,000 square feet of general commercial, and 21,900 square feet of professional office.

General Plan potential. General Plan potential is estimated at about 105,600 square feet, with minimal land use changes from existing development.

Incremental development potential. While uses along the west side of Fair Oaks are constrained and are unlikely to be redeveloped at a higher use, the commercial site east of Fair Oaks could potentially be recycled, accommodating up to approximately 79,400 square feet. However, accounting for existing development of 62,000 square feet, the net potential is only about 17,400 square feet.

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5. *Fremont Corridor*

1. Development Assumptions

Unlike other Focus Areas in this study, the Fremont Corridor is not expected to experience growth through new development. Rather, growth is anticipated in the transition of residential buildings to office uses, preserving the original structures along Fremont Avenue.

2. Development Potential

Existing development. Existing uses include general commercial (6,500 square feet); professional office (87,900 square feet); and manufacturing (17,200 square feet). Total non-residential land uses occupy approximately 4.39 acres.

General Plan potential. If residential uses transition to professional office, office space could increase to about 128,500 square feet. Mixed use development potential is estimated at about 35,900 square feet.

Incremental development potential. Accounting for economic and historic development constraints, office potential is reduced to about 100,200 square feet, and mixed use potential is reduced to about 12,400 square feet. Approximately 2,800 square feet of commercial uses would be recycled.

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6. *Mission Street Specific Plan*

The Specific Plan Area includes the Mission Street right-of-way from Pasadena Avenue to Fair Oaks Avenue. It includes parcels fronting on Mission Street between Fremont and Indiana Avenues, as well as areas to the north and south of Mission Street between Fremont and Orange Grove Avenues. The Area is divided into the Core Area, between Fremont and Prospect Avenues within easy walking distance of the Blue Line station, and the West Area, west of Prospect Avenue. Buildings on Mission Street east of Fremont Avenue are not in the Specific Plan Area (although the right-of-way is). The area in which these buildings is located is referred to as the Adjacent Area.

In Chapter 2 of the Specific Plan, “Summary of Background Information”, the discussion of land use addresses both the Specific Plan Area and the Adjacent Area to the east, distinguishing between the two. The market feasibility analysis treats the entire business district as a single market unit. The transportation and parking analysis includes the Mission Street business district, as well as a larger study area that extends from the Pasadena Freeway on the north to Monterey Road on the South.

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7. *Ostrich Farm*

1. Development Assumptions

The GPAC states: *“Recycling of this 29.3 acre light industrial area as an efficiently planned ‘business park’ is recommended. Well-designed, master-planned, campus-type developments for employers who will contribute significantly to the City’s objective of increasing employment densities are the objective. Present ownership should be encouraged and be offered the financial incentive to convert. The ‘business park’ designation seeks to emphasize office space, often with supporting amenities, either with or in lieu of light manufacturing uses, in a garden-like setting. Supporting retail and commercial service would also be allowed.”*

This area could support generally lower density development based on the business park format. On-site surface parking is anticipated at an average ratio of one space per 1,000 square feet of manufacturing space. The area requires lot consolidation and redevelopment to achieve the City’s vision of a master-planned business park. A key constraint is the competition within the region for business park development.

2. Development Potential

Existing development. The area currently contains a mix of some older industrial buildings and marginal commercial uses. General commercial space is estimated at 25,700 square feet; professional office at 3,700 square feet; and manufacturing uses at 236,700 square feet.

General Plan potential. Under the General Plan, about 1.5 acres of general commercial would be retained. Manufacturing acreage would increase from 9.76 acres to 12.45 acres, and could potentially support about 453,900 square feet.

Incremental Development potential. No constraints to development have been identified in this area. The net increase, accounting for removal of existing buildings, is estimated at about 217,200 square feet of manufacturing space, with slight losses in professional office and commercial space.

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8. *Arroyo Annex*

This focus area is presently located in the City of Los Angeles between the Pasadena Freeway and the South Pasadena City limits. The intent of this Focus Area is to provide additional open space to the City of South Pasadena, which is currently inaccessible from the City of Los Angeles. The area represents a natural extension of the Arroyo Seco Parkland and offers the potential for placing future recreational use by South Pasadena.

4.6C Strategies

POLICY 1: Support existing businesses.

Strategies:

- 1.1: Promote regular forums with business community to identify concerns.
 - 1.2: Pursue sources that may provide assistance in revitalizing weak sectors of the business community.
 - 1.3: Develop ways to assist local business with their expansion or relocation plans in a timely manner.
-

POLICY 2: Increase city revenues by fostering commercial development.

Strategies:

- 2.1: Identify appropriate new business by type, category, and specific name.
- 2.2: Recruit specific businesses by offering incentives such as tax-deferral, temporary reduction in license fees, and accelerated permit process.
- 2.3: Identify potential sites for bed & breakfast lodging opportunities.
- 2.4: Develop appropriate zoning text that, through ground level retail, promotes sales tax revenue.
- 2.5: Research and develop revenue mechanisms for businesses that do not generate sales tax.
- 2.6: Work in coordination with the investment community and any business consortium to promote the development of available sites and the occupancy of vacant buildings.
- 2.7: Provide information on transit, housing, financial services, etc.
- 2.8: Develop innovative ways to streamline the permitting process to assist new businesses.

POLICY 3: Broaden the city's employment base by attracting quality job/employment opportunities.

Strategies:

- 3.1: Prepare illustrative pro-forma analyses comparing South Pasadena with competing southern California locations.
- 3.2: Develop and maintain a data base of labor pool characteristics to be used in the promotion of South Pasadena to prospective business and industry.
- 3.3: Evaluate the cost of land for employment in South Pasadena in comparison to other communities.
- 3.4: Develop and maintain a list of office businesses that can take advantage of South Pasadena's regional location and access to labor.
- 3.5: Develop incentives to assist targeted uses.
- 3.6: Develop and maintain a list of target industries that are environmentally sensitive to take advantage of South Pasadena's regional location and access to labor.

POLICY 4: Target development interests into the focus areas which will maximize benefits to the city.

Strategies:

- 4.1: Prioritize the focus areas for future specific plan development where appropriate.
- 4.2: Develop implementation measures that will provide the planning and design direction for mixed-use development in the appropriate focus areas.
- 4.3: Identify types of use that are transit-oriented.
- 4.4: Target and recruit specific names of retail/service businesses.
- 4.5: Seek funding for transportation enhancement activities related to the Blue Line Station.
- 4.6: Develop incentive programs to encourage developers of mixed-use housing.
- 4.7: Prepare illustrative pro-forma analyses demonstrating financial advantages to developers of mixed-use projects.

POLICY 5: Maintain long-term fiscal viability through balanced land use planning.

Strategies:

- 5.1: Target capital investment to help offset the City’s operations and maintenance costs.
- 5.2: Target capital investment to support economically viable land uses.
- 5.3: Develop public and private financing techniques to fund public services where economically feasible.
- 5.4: Promote appropriate design characteristics to achieve efficient delivery of City services.
- 5.5: Project and analyze City public service costs and revenues for new development projects.
- 5.6: Implement a City-wide fiscal model and plan.
- 5.7: Encourage a land use mix that achieves Citywide fiscal balance.
- 5.8: Monitor sales-tax by business category over time to assist business retention.

POLICY 6: Promote and enhance South Pasadena’s image as being a desirable location for business.

Strategies:

- 6.1: Define marketing themes, e.g. “Hometown Feel, Uptown Spirit”, or “City of Choice”.
- 6.2: Encourage and support community fairs and sales events.
- 6.3: Develop shared public/private streetscape projects.
- 6.4: Develop promotional strategies for small businesses in South Pasadena.
- 6.5: Develop the means to provide regional and subregional economic data for the business community.
- 6.6: Use public/private partnerships to stimulate economic development.
- 6.7: Consider community redevelopment agency as an implementation program.
- 6.8: Encourage the code enforcement process to ensure compliance with the City’s municipal code.
- 6.9: Explore use of density-bonuses in return for public benefit.
- 6.10: Investigate shared cost of infrastructure improvements through available financing mechanisms.

CHAPTER IV

ECONOMIC DEVELOPMENT & REVITALIZATION ELEMENT

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